



Acceptance of the FY 21-22 Impact and Capacity Fee Reports

Town Council Meeting
December 21, 2022

Purpose of Presentation

- Summarize the FY 21-22 Impact and Capacity Fee Activity
- Identify Action Items
- Recommendation to Approve Resolution 1509-22 Accepting the FY 21-22 Impact Fee Report and Capacity Fee Reports



Background

- Impact and Capacity Fees are One-Time Fees Paid by New Development to Mitigate the Cost of New Infrastructure Installed to Maintain the Adopted Service Levels
 - Impact Fees (6): Police, Fire, Transportation, Parks, Library, and Town Facilities*
 - Applies to New Construction Within the Town Boundary
 - Capacity Fees (2): Water and Wastewater
 - Applies to New Construction Within Each, Unique Service Area

* Town Facility Fee Eliminated May 23, 2022

Background (continued)

- Fee Amounts
 - State Law Provides Guidance RE. Fee Calculations
 - Fee Effective Dates:
 - Capacity Fees: July 1, 2019
 - Impact Fees: February 10, 2020
 - Example: Single-Family House Fee: \$12,572



Background (concluded)

- Reporting Requirements
 - Impact Fees: Annual Report Required by State Law
 - Capacity Fees: Annual Report Required by Town Council Financial Policy
 - Town Council Acceptance of Both Reports: Required per Town Council Financial Policy to Improve Communication to the Public and the Development Community



FY 21-22 Summary of Results



- Represented the 5th Year of the Current 10-Year Study
- Revenues
 - Exceeded Projections
 - Record Level of Revenues: \$29.9M
 - Impact Fees: \$19.8M
 - Capacity Fees: \$10.1M
- Prior Year Corrections
 - Used for Projects In Excess of Fee Studies: \$10.2M
 - Used for Projects Not Included in Capacity Fee Study: \$23.2M

FY 21-22 Activity Summary

Exceeded Projections

Impact Fees:	
Single-Family Residential Units	1,759
Multi-Family Units	963
Non-Residential Square Feet	~431K
Capacity Fees:	
Equivalent Residential Units - Water	2,226
Equivalent Residential Units - Wastewater	1,769

Note: Units and Equivalent Residential Units vary because there are three distinct and different size service areas.



FY 21-22 Financial Summary

	Beginning Balance	Plus Fees/Interest	Minus Expenses (Project Costs/Debt Payments)	Ending Balance	Change
1. Parks	\$19.8M	\$8.2M	\$2.2M	\$25.8M	\$6.0M
2. Town Facilities*	\$2.9M	\$0.2M	\$0.3M	\$2.8M	(\$0.1M)
3. Transportation	\$14.0M	\$6.1M	\$4.9M	\$15.2M	\$1.2M
4. Library	\$2.1M	\$0.4M	\$0.2M	\$2.3M	\$0.2M
5. Police	\$0.6M	\$1.7M	\$1.3M	\$1.0M	\$0.4M
6. Fire	\$11.9M	\$3.2M	\$5.6M	\$9.5M	(\$2.4M)
7. Water	(\$1.0M)	\$5.2M	\$3.5M	\$0.7M	\$1.7M
8. Wastewater	(\$3.4M)	\$4.9M	\$1.2M	\$0.3M	\$3.7M
Totals		<u>\$29.9M</u>	<u>\$19.2M</u>		

* Town Facility Fee Eliminated May 23, 2022

Cumulative Impact Fee Analysis (5th Year)

Exceeding Projections by 12%

	5-Year Projections	5-Year Actuals	Variance	% Variance	10-Year Projections	% of 10-Year Projections
<u>Units</u>						
Single Family	6,262	8,120	1,858	30%	11,863	68%
Multi-Family	1,327	1,141	(186)	-14%	1,857	61%
<u>Square Feet</u>						
Commercial	714,000	1,101,885	387,885	54%	925,000	119%
Office & Other	807,000	660,430	(146,570)	-18%	1,287,000	51%
Industrial	352,000	0	(352,000)	-100%	502,000	0%
Revenue	\$60.1M	\$67.3M	\$7.2M	+12%	\$107.1M	63%

Cumulative Capacity Fee Analysis (5th Year)

Exceeding Projections

	%-Year Projections	5-Year Actuals	Variance	% Variance	10-Year Projections	% of 10-Year Actual
<u>Water</u>						
Equivalent Residential Units	9,159	9,364	205	2%	17,933	52%
Revenue	\$26.0M	\$26.1M	\$0.1M	1%	\$46.8M	56%
<u>Wastewater</u>						
Equivalent Residential Units	5,017	7,726	2,709	54%	10,245	75%
Revenue	\$18.6M	\$26.6M	\$8.0M	43%	\$33.8M	79%

Note: Water service area is larger than Wastewater Service and was projected to exceed Wastewater units by 75% over 10 years. Actual results are only 21% greater.

Action Items

1. Next Year's Annual Report Enhancement
 - Cumulative Project Expense Comparison: Actual to Fee Study
2. Legally Required Biennial Audit for the Period Ending June 30, 2022
3. Termination of Library Fee Expected in 2023
4. Analysis of Possible Debt Reduction / Payoff Associated with the Transportation Fee
5. Fee Updates



Recommended Motion

Approve Resolution 1509-22 Accepting the
FY 21-22 Annual Impact Fee and Capacity Fee
Reports

